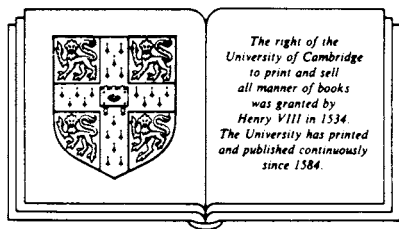


Imperial State and Revolution

The United States and Cuba,
1952–1986

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1. The U.S. imperial state: theory and historical setting*

This book interprets the events and trends constituting U.S. relations with Cuba between 1952 and 1980 with a view toward elaborating the notion of the imperial state – a state with boundaries for capital accumulation located far beyond its geographic limits. I attempt to explicate the involvement and effectiveness of the United States as an imperial state in prerevolutionary Cuba and how the United States responded to the fundamental challenge to capital accumulation embodied in the Cuban Revolution.¹

The central focus of this enquiry is the evolution, implementation, and consequences of U.S. imperial-state policy toward Cuba since 1952. The success or failure of this policy are evaluated at different historical moments, distinguishing between particular policies as they were initially conceived and their eventual outcomes: The hopes of U.S. policymakers are measured against their actual achievements. Underlying this emphasis is the question of the capacity – the available resources and instruments – to execute each policy.

This first chapter describes the imperial state, the origins of the U.S. imperial state, the processes by which the United States promotes and sustains conditions for worldwide capital accumulation, and the nature of capitalist-class influence over the making of state policy. A discussion of the policymaking process is important for what it reveals about the complexity of the distinct, but interdependent, agencies that compose the imperial-state framework. The chapter concludes with an overview of the history of U.S.-Cuban relations that further illustrates the notion of the imperial state and enhances our comprehension of U.S. policy toward Cuba after 1952.

*Part of this chapter draws on some ideas and materials first presented in James F. Petras and Morris H. Morley, "The U.S. Imperial State," *Review*, Vol. IV, No. 2, Fall 1980, pp. 171–222. Copyright © 1980 Research Foundation of SUNY. Reprinted by permission of Sage Publications, Inc.

Chapter 2 analyzes U.S. policy toward the Batista dictatorship from 1952 to 1958 and the emergence of a broad-based antiregime movement under the leadership of rural guerrillas. Long-term economic concerns shaped a U.S. attitude of accommodation toward this nonelected military government promoting capitalist development "from above and outside." The appearance of an organized political and military challenge to Batista in the late 1950s, however, forced Washington policymakers to devise new strategies to meet the changed circumstances – strategies geared to influence the outcome of the internal social struggle in a manner favorable to American goals in Cuba. There was uniform hostility in the Eisenhower administration to the idea of a successful antidictatorial movement dominated by radical nationalists. Such an outcome, it was thought, would mean a considerable loss of U.S. political and economic power in Cuba. The White House response to the rapid disintegration of the Batista regime after mid-1958 took the form of numerous initiatives (covert, political, regional) short of direct military intervention to ensure a post-Batista government that either excluded or severely circumscribed the role of the Castro guerrilla forces. American hostility to Castro before 1959 is central to an understanding of the U.S. response to the Cuban Revolution after 1959.

Chapter 3 focuses on the period of socialist transition in Cuba from 1959 to 1961. It presents a detailed examination of U.S. policy toward a combined national and social revolution taking place under the aegis of a government with a solid class base in state power. The Castro leadership's determination to remake the Cuban state and society to serve an alternative, anticapitalist economic project dictated the relatively swift development of a confrontational approach on Washington's part. In the process the imperial state sought to direct a fragmented and vacillating U.S. capitalist class in Cuba to help destabilize the revolutionary regime. American policymakers initially attempted to work through groups in Cuban society hostile to the Castro government, with economic and political sanctions playing only a complementary role. The failure of this "insiders" strategy to overthrow the emerging anticapitalist government in Havana evidenced no less than the disintegration of those elements in Cuban society that identified with Washington's objective and their loss of social support. This state of affairs forced the Eisenhower White House to shift the bulk of its energies toward a dual

“outsiders” strategy: political confrontation with Cuba on a regional scale and economic confrontation on a world scale.

Chapters 4 and 5 discuss U.S. policy toward Cuba during the period of socialist development from 1961 to 1968. This policy was rooted in several strategies – political and economic, clandestine and public – designed to terminate the island’s relations with the capitalist world. At the regional level, I examine the decision to intervene militarily at the Bay of Pigs, the so-called secret or covert war, and the means by which Cuba was politically isolated within Latin America. Washington managed considerable success in this latter endeavor, partly by threatening economic sanctions or clandestinely manipulating domestic political institutions, but also by working with sympathetic state institutions in countries governed by unstable nationalist regimes. The global economic blockade strategy is the subject of a lengthy analysis, since it spans almost the entire period under discussion. The blockade also provides a unique opportunity for investigating the effectiveness of using economic sanctions for political goals.

The construction of a worldwide blockade around the Cuban state and society reached its apogee during the Johnson administration (1964–1968), which gave priority to eliminating Cuba’s economic links with its major trading partners: Canada, Japan, France, Spain, and England. The exposition and analysis of the capitalist-bloc embargo – the central concern of Chapter 5 – raise important questions on the nature of the relationship between the United States and its senior capitalist allies. The rapid growth of the war-devastated economies of Western Europe and Japan during the 1950s and 1960s has been interpreted by some writers as tantamount to a decline in the dominant position of the United States. The presumed willingness of these economically revitalized countries to take positions at variance with U.S. interests provided the basis for subsequent assertions regarding the 1960s as a period of heightened rivalry and competition among capitalist countries. By focusing on one issue – the American economic blockade of Cuba and the degree of cooperation with U.S. objectives – this book shows that there was no deliberate attempt by any capitalist country to challenge Washington, even though these governments maintained moderate trade with Havana. Indeed, the divergencies coexisted with a more powerful accommodation impulse. On the whole, allied governments were more interested in cooperating with the United States than in trading

with Cuba. Limiting America's global power was of minimal interest.

Chapter 6 describes and analyzes U.S. policy toward Cuba during the Nixon, Ford, and Carter presidencies. A number of distinct issues are highlighted: the disintegration of the global economic blockade and the effective collapse of Cuba's regional political isolation; the seminal importance of Cuba's foreign policy in shaping Washington's continuing hostility toward the revolutionary regime; the nature and significance of the legislative branch response to executive policymaking; and the multiplicity of attitudes within the U.S. corporate and business community regarding the profitable normalization of economic ties with Havana. Although the economic blockade began to unravel after 1968, the Nixon and Ford administrations continued to police it and link any change in the bilateral relationship to major Cuban concessions, especially in the area of foreign policy and external alignments. The Carter White House decision to jettison the Cold War policies and rhetoric of its predecessors and relax tensions with Cuba was abruptly terminated at the end of its first year in office because of the Castro government's involvement in revolutions in the Horn and parts of southern Africa. Cuban support for nationalist and socialist revolutions in the Third World ran counter to the primary expressed goal of all postwar administrations: to open, and keep open, as much of the world economy as possible in the interests of foreign capital accumulation and expansion.

This study addresses itself to three major empirical questions that revolve around the making and implementation of U.S. foreign policy. First, how adequate is the highly influential bureaucratic politics model of policymaking to an understanding of what it purports to explain? Second, what constraints, if any, does the appearance of an increasingly interdependent global economy set on the policies and objectives of a hegemonic state functioning within that economy? Third, is the state (or its executive branch) the articulator and director, rather than the servant and mediator (or opponent) of, the interests of the capitalist class?

The structure and process of U.S. policymaking are examined with a recognition of two dimensions often counterposed: the continuities and common purposes frequently evident in policymaking, and the bureaucratic conflicts and disagreements that are so much a part of the foreign-policy apparatus. This examination illuminates certain fundamental weaknesses in the bureaucratic pol-

itics model of policymaking when applied to Washington's response to the Cuban Revolution. This study reveals that during the 1960s, for instance, the interagency conflicts were entirely tactical in nature and occurred within a strategic consensus aimed at overthrowing the Castro regime.

In the process of highlighting the postwar global operations of the U.S. state in the interests of capital accumulation, I also raise the question of the obstacles to integrating Third World countries into an American-dominated world economy. These include the power of social revolutionary movements in the Third World, the existence of the Soviet Union as a potential countervailing political, economic, and military presence in these regions of the world, and the evolution of a highly differentiated capitalist world. In analyzing the interaction between the imperial state and the international system, this study pays considerable attention to the capacity of the United States to shape and influence the behavior of its allies. Considering specific policy issues such as economic boycotts, this book also examines the relationships among a leader nation and follower countries within a confrontational context where interests both diverge and converge.

A major premise is that the mechanisms of capitalist development are tightly interwoven with the activities of the state. The U.S. government, conceived of as the imperial state, is viewed as the engine of a worldwide system of capital accumulation. Its actions are deliberate and pragmatic; they reflect and rationalize the interests of the capitalist class as a whole. Hence, while this work seeks to analyze individual and institutional commitments to and roles within the larger organization of the state, it also attempts to anchor these varying commitments within the larger orientation of the state. Although specific individuals and agencies project operational idiosyncrasies – styles of procedures, organizational peculiarities, kinds of emphasis – these disparities do not constitute assorted intentions about the structure of the state or sufficient reason for interpreting operational traits of multiple agencies to be independent of the general development of overseas markets and global capitalist activity.

Instead of viewing institutions and ideas as epiphenomena or simple reflections of the process of capital accumulation, this study addresses the way in which they establish the boundaries for political action that are essential to the greater expansion of capital. Contending that there is a high degree of consensus between state and class over general policy positions, punctuated only by

specific, usually limited disagreements, this book also addresses itself to the interrelated questions of how the state acts on and changes the behavior of capitalists and how capitalists themselves react to state initiatives. To define U.S. foreign policy principally in terms of economic pursuits or as the multinationals' handmaiden is to absent consideration of the state's mobilizing resources, activating policy instruments, and taking all kinds of actions to implant and sustain the conditions for worldwide capital accumulation. This study accents the primal role politics plays in instrumentalizing the capitalist class and promoting historic capitalist goals – how the state shapes agendas, timetables, tactics, and strategies, choosing among an array of policy instruments to nurture and safeguard the collective interests of the overseas capitalist class. The concept of the imperial state redefines the traditional role and nature of the state, assigning equal importance to both the political and the economic dimension of any comprehensive understanding of the theory and practice of imperialism.

Imperial state: origins and development

There is a recurring problem with contemporary writings on the state that has not been adequately critiqued: The “state” has been conceived as a national unit, and the “national state” has been the point of departure for most discussions of classes and class struggle.² There has been limited, if any, consideration given to external factors that shape the character of the state and influence the internal makeup of classes as well as their action orientation. This notion of the national state has also been reproduced in analyses of the colonial state – the capitalist state transplanted to the colonial setting, but retaining its linkages to the metropolis.³ Definitions of the state have extended its function from that of simple enforcer to that of an ideological and legitimating body and to the state as the agent of economic promotion as well as coordinator of particular interests. (This last notion sometimes involves a return to traditional liberal ideas of the state as broker.)⁴ Yet, what has been striking, especially since the latter half of the nineteenth century, is not the elaboration of internal functions or its role as primarily a regulator of the domestic sphere, but the extended jurisdiction of the state as an imperial state with powers reaching far beyond its territorial boundaries.

The notion of imperial states creating and sustaining the conditions for worldwide capital accumulation was implied in the

writings of a number of early twentieth-century theorists of imperialism. The non-Marxist J. A. Hobson's study of the outward migration of capital from nineteenth-century European nation-states is essentially a discussion of the organization of a capitalist world economy taking shape through the aegis of competing imperial powers acting to assure satisfactory conditions for overseas capital investment in the so-called peripheral areas.⁵ With the capitalist world economy as a departure point, the Marxist V. I. Lenin developed an interpretation of imperialism derived from a theory of capitalist development during its monopoly phase (1871–1914) when the contradiction between industrial growth and increasingly socialized production on the one hand and the uninterrupted process of private capital accumulation on the other resulted in the movement of large amounts of capital from “advanced” nation-states into “a number of backward countries.”⁶ The global struggle between Europe's imperial powers during 1914 and 1918 for the division of the capitalist world economy was precisely an outgrowth of competition between late developing (Germany) and early maturing (England, France) capitalist countries with different dynamics in their internal and international economic drives. Although economic power and corporate decisions remained prerequisites for capital movements overseas, these strictly “economic” imperatives were, in the era of monopoly capitalism, accompanied in importance by the political, financial, and military activities of the central imperial states.

The internationalization of economic life and the parallel emergence of aggressive competition between nation-states as imperial states is even more clearly articulated in the writings of the Soviet political economist Nikolai Bukharin: “The state apparatus has always served as a tool in the hands of the ruling classes of its country, and it has always acted as their ‘defender and protector’ in the world market.”⁷ In his discussion of the worldwide movement of investment capital, Bukharin also attributed considerable importance to the activities of centrally organized banking institutions or finance capitalists located in the most powerful capitalist countries, but with “their tentacles over the entire globe.”⁸

The imperial state, by its global reach, in effect sets up new rules of statehood within the interstate system. In due course, these rules influence the behavior of all other states. As the scope of the imperial state expands, the sovereignty of the imperialized states is diminished.

To study such an imperial state, as opposed to a capitalist one, we must develop some new conceptions. The political, social, and economic contexts in which the capitalist state and the imperial state function are quite different. Within the geographically bounded nation-state, the capitalist state is the only source of sovereign authority. In contrast, the imperial state (an outgrowth of the capitalist state) exercises its authority in a crowded field of aspiring sovereigns – competing imperial states, regional powers, and local authorities. The primary authority is not clearly delineated either in fact or law.

Discussing the United States today, we are not dealing with the “capitalist state” or the “state in capitalist society,” but with the imperial state. It is time to discard the notion that imperialism is merely an economic phenomenon that can be analyzed by looking at corporate behavior and the flow of capital. Literature on the multinationals, rich in detail as it is, tends to forget the institution that created the universe in which they function.⁹ No discussion of capital accumulation on a world scale can be meaningful unless we understand the central role of the imperial state in creating the conditions for it. The imperial state does not function on the basis of its own inner logic, but responds to the interests and demands of capitalists seeking to move capital abroad and to pursue accumulation. The U.S. state, as an imperial state shaped and controlled by outward looking capital, assumes a multiplicity of tasks to facilitate the goals of its outwardly oriented capital class.¹⁰ Initially, it moves to create and develop the conditions (state “building,” infrastructural economic assistance) for long-term, large-scale multinational capital flows into targeted countries. Over time, it seeks to maintain and, if necessary, recreate (by destabilizing political regimes, by electoral intervention) the optimal environment for capital accumulation and expansion in particular Third World societies.

Since the 1890s, no movements of American (proto) multinational capital have taken place without the involvement of the U.S. imperial state, whether we are talking about the entree, the expansion, or the survival of such capital.¹¹ Conversely, by its dominant position in the U.S. social formation, imperial capital defines the domestic and external structures and functions of the state, as well as its policy. The roots of the state are anchored in the United States; its branches span the globe. Its origin was the national unit; its functions and operations have grown by pro-

cesses into a multiplicity of societies and transnational organizations.

The postwar imperial-state framework In the setting of world-wide accumulation, the emergence of the United States as a competitive, and subsequently the dominant, imperial power is relatively recent. Despite its subordinate and isolated position in the European-centered (specifically, British-centered) capitalist world economy during the nineteenth century, the United States emerged as a regional power by 1850, competitive with Spain, England, and France in Central America and the Caribbean and, to a lesser extent, in South America. By the late nineteenth century, in response to changes in the positions of key European imperial states, the United States not only began to assume the role of dominant hemispheric imperial power, but was also being transformed into a globally competitive imperial power.¹²

During the first three decades of the twentieth century, the U.S. imperial state sought to expand, bolster, and consolidate its position as a world economic power through the maintenance of an "open door" for trade and investment in Latin America, Europe, the Far East, Africa, and the Middle East. This goal was facilitated by congressional passage of the Federal Reserve Act in December 1913, which provided for the establishment of a worldwide system of American private banks to operate in the interests of American capital and commerce looking to expand abroad. By the 1920s, the newly formed U.S. foreign banking network was competitive with, if not dominant among, the world's major banking systems. This new financial reach, principally centered in Latin America, provided an immediate and positive stimulus to U.S. foreign trade, which increased in value from \$4.3 billion in 1913 to \$13.5 billion in 1920.¹³

The global military conflict from 1939 to 1945 produced irrevocable changes in world capitalism, notably the decline of some of the most formidable prewar imperial states (e.g., British, French, Dutch) and the emergence of the United States as the dominant imperial state in the capitalist world. The U.S. imperial-state structure exhibited a double character during this period: as it sought to defeat European fascism militarily, it also set about establishing the groundwork that would sustain the dynamic growth in industrial capacity and export expansion that the American economy had experienced during these years of intercapitalist hostilities.¹⁴ Senior foreign-policy officials in the Departments

of State, Commerce, and the Treasury, as well as in the White House, were convinced that there was a profound connection between long-term U.S. prosperity and the transformation and reorganization of the postwar world economy. In concert with an outward-oriented capitalist class, they reasoned that the continuation of wartime growth dictated a world economy in which capital and goods could move around with maximum freedom and minimum restraint.¹⁵ In testimony before a special congressional Committee on Postwar Economic Policy and Planning in 1944, Dean Acheson emphasized the importance of the link between U.S. economic prosperity and expanding foreign markets: "The most important thing is markets. We have got to see that what the country produces is used and is sold under financial arrangements which make its production possible."¹⁶

The foundations for U.S. dominance of the postwar international economy were laid at Bretton Woods in July 1944, where agreement was reached to establish two new economic organizations: an International Monetary Fund to eliminate foreign exchange problems, particularly currency restrictions that complicated American export expansion, and an International Bank for Reconstruction and Development to make long-term loans to supplement and promote private foreign investment worldwide.¹⁷ Bretton Woods participants also agreed to create a new capitalist-bloc monetary system by tying all other national currencies to the American dollar. Thereafter, the U.S. imperial state began to supply dollars as a means of exchange to other capitalist countries for the purchase of American manufactured goods.

In the postwar context of uncontested American global and regional hegemony within the capitalist world economy, U.S. corporations also stood poised to expand on an unprecedented scale. Former State Department international economic advisor Herbert Feis wrote of the large accumulations of capital potentially available for overseas expansion: "American business enterprise will be exploring the world for new investment opportunity in the operation of public utilities, the exploitation of natural resources, the establishment of factories, and the conduct of trade."¹⁸ Both American investment and commercial entrepreneurs confronted powerful obstacles to expansion in the form of war-devastated economies of Western Europe and the persistence of discriminatory trade barriers that ran counter to the notion of an open-world trading system envisioned by U.S. imperial-state officials. The ultimate responsibility of assuming the costs of rebuilding the capi-

talist economies to reestablish profitable investment centers, for dissolving such closed trading systems as the British sterling bloc, and for promoting the emergence of collaborator regimes in the Third World devolved upon the U.S. imperial state (in association with newly created American-dominated international political, banking, and monetary organizations).¹⁹ To a considerable degree, the imperial state became the instrument or enabling condition for promoting "a world environment in which the American system [could] survive and flourish."²⁰ It mobilized resources, took initiatives, and provided organizational expertise that contributed mightily to pushing American capital and commerce into the world economy. The key agent of this process of capital expansion and the accumulation and centralization of larger and larger industrial capitals was the multinational corporation. Yet, it was the imperial state that created the global political, economic, and military environment to sustain multinational investment and trade on a highly diversified scale.

Between 1945 and 1948, there existed a fundamental consensus among the highest American civilian and defense officials "that long-term American prosperity required open markets, unhindered access to raw materials, and the rehabilitation of much – if not all – of Eurasia [Europe and Asia] along liberal capitalist lines."²¹ Pentagon planners agreed with cabinet secretaries on the equal importance of projecting U.S. global military power and the economic rehabilitation of the capitalist world in containing Soviet goals and aspirations. There was no dispute within the imperial state, whether we are talking about the Secretary of State or the Joint Chiefs of Staff, on the need for an immediate, massive foreign economic assistance program to deter the Soviets and local Communist parties from taking advantage of "economic dislocation, social unrest, and political instability" in wartorn Europe and Asia and, simultaneously, to provide the "building blocks" for long-term American economic hegemony in these areas of the world.²² This new set of postwar U.S. policymakers was determined to translate America's unmatched military and economic strength within the capitalist world into a reconstructed global political-economic order presided over indefinitely by Washington.

But the policymakers determined that the available institutional structures were inadequate for the task of maximizing U.S. opportunities for worldwide economic expansion. As a result, the expansion of agencies and personnel as part of a general overhaul of the

U.S. imperial-state structure became a priority: New agencies and institutions were created and linked to the old, while the internal structures and functions of several existing agencies were redefined or expanded. In the area of foreign economic policy, the State Department underwent major organizational changes to accommodate the growing importance of diplomacy to trade, finance, agriculture, and transportation. An array of new divisions was established to deal with commercial policy, petroleum, international labor affairs, international finance and investment, overseas economic development, commodities, and strategic industrial raw materials. Other Departments, including Treasury, Agriculture, Interior, Commerce, and Labor, also assumed new responsibilities.²³ The Treasury Department's jurisdiction, for instance, was expanded to include responsibility for U.S. policy in the newly created multinational financial institutions such as the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund (IMF). The urgently needed interagency coordination dictated by these changes within the foreign policy bureaucracy took place in two ways: greater consultation between State Department officials and the staffs of other agencies, and the formation of interdepartmental committees, such as the National Advisory Council on International Monetary and Financial Problems (NAC), which was responsible for coordinating imperial-state actions in the international banking organizations.²⁴

As part of the effort to institute a more rational policymaking process, a number of new agencies were established. In July 1947, the U.S. Congress passed the National Security Act, creating three executive-branch departments: a National Security Council (NSC) to advise the President about "the integration of domestic, foreign, and military policies relating to the national security";²⁵ a Department of Defense and Joint Chiefs of Staff committee to streamline the Pentagon's internal decisionmaking and promote more effective relations with other agencies; and a Central Intelligence Agency (CIA) to coordinate government intelligence activities, evaluate and disseminate intelligence data, and perform "other functions and duties" designated by the NSC.²⁶

Before 1947, the CIA's covert activities were confined largely to psychological warfare. With the onset of the first phase of the Cold War, there was growing support among senior executive-branch officials for expanding CIA operations to include "a covert political action capability" as well – an initiative motivated by the

appearance of large-scale working-class mobilizations in Western European countries under Communist and Socialist leadership. In June 1948, the NSC adopted a directive that authorized "a dramatic increase in the range of covert operations directed against the Soviet Union including political warfare, economic warfare, and paramilitary activities."²⁷

The global projection of American military power, according to imperial-state policymakers, was necessary to provide a security framework for the movement of American investments and commodities into the far-flung corners of the capitalist world. The postwar concept of national security included not only "a strategic sphere of influence within the Western Hemisphere [and] domination of the Atlantic and Pacific oceans," but also an extensive network of military, naval, and airforce bases that would, among other objectives, guarantee "access to the resources and markets of most of Eurasia."²⁸ The formation of the North Atlantic Treaty Organization (NATO) at the end of the 1940s was regarded by U.S. officials as a way of enhancing the military capabilities of allied European regimes supportive of an open world economy.²⁹ This decision to expand its military presence abroad also meshed with the U.S. government's policy of active opposition to indigenous nationalist and anticapitalist movements or regimes, especially those that raised the specter of closed economic spheres. The Truman Doctrine enunciated in March 1947 to rationalize large-scale military (as well as political and economic) assistance to Greece and Turkey subsequently provided the legislative authority for military and nonmilitary forms of assistance to anti-communist and procapitalist regimes – especially in areas of the Third World (e.g., in Korea).

The shift from the predominance of imperial-state investments in the postwar decade to the dominance of private investment is evident in the changing ratio of U.S. state overseas loans and grants to new U.S. direct private investment. The ratio stood at 5.7 to 1 between 1945 and 1954, but declined to 1.44 to 1 between 1955 and 1964, and to 0.63 to 1 between 1965 and 1974.³⁰ State investments prior to 1954 took the forms of technical aid, long-term loans, and massive military outlays directed principally toward rebuilding the economies of Western Europe, promoting foreign capital and commercial expansion, extinguishing embryonic experiments in national capitalist development, and forestalling the possibilities of social revolution. In the Third World, economic infrastructure development loans and credits